

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass the A-Engrossed Measure
Vote: 5 - 0 - 0
Yeas: Baertschiger, George, Monnes Anderson, Prozanski, Shields
Nays: 0
Exc.: 0
Prepared By: Channa Newell, Administrator
Meeting Dates: 5/22, 5/29

WHAT THE MEASURE DOES: Reduces from 60 days to 45 days the number of days in which appraisal management company must make payment to independent contractor appraiser for completion of appraisal or appraisal review assignment.

ISSUES DISCUSSED:

- Over 120,000 appraisals ordered annually in Oregon
- Nationally, 85 percent of appraisals are ordered through appraisal management companies
- Complaints from contract appraisers on delays in payment of invoices
- Bankruptcy of nation-wide appraisal management company resulted in \$9 million in unpaid appraisal invoices
- Effects of compromise amendments to original measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: An appraisal management company (AMC) is a company that oversees a panel of appraisers and coordinates the process and administrative duties of appraisals, in connection with properties collateralizing mortgage loans or mortgages incorporated in a securitization. An AMC is authorized by its client to recruit and train appraisers, contract with individual appraisers to perform assignments, manage the appraisal process, and review and verify the appraiser's work. An AMC does not employ real estate appraisers exclusively as employees for the performance of appraisals, but acts as a third party broker for appraisal services. AMCs are regulated by the Oregon Appraisal Certification and Licensure Board.

House Bill 2061-A requires an AMC to pay independent contract appraisers within 45 days of receiving the appraiser's report. The current time period required by law is 60 days.